



CHAIRMAN

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Federal Communications Commission

Washington, D.C.

September 15, 2003

02-278

The Honorable Ron Paul
U.S. House of Representatives
203 Cannon House Office Building
Washington, D.C. 20515

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SEP 29 2003

Federal Communications Commission
Office of the Secretary

Dear Congressman Paul:

Thank you for your letter of August 12, 2003, regarding the Commission's recent amendment to its rules implementing the Telephone Consumer Protection Act of 1991 ("TCPA"). In your correspondence, you express concern about the Commission's decision requiring written consent before sending advertising faxes.

On September 18, 2002, the Commission released its *Notice of Proposed Rulemaking* ("NPRM") seeking comment on whether it should change its rules that restrict telemarketing calls and unsolicited fax advertisements, and if so, how. Specifically, the NPRM sought comment on the effectiveness of the TCPA's unsolicited facsimile advertisement rules, including the Commission's determination that a prior business relationship between a fax sender and recipient establishes the requisite consent to receive advertisements via fax. The Commission received over 6,000 comments from individuals, businesses, and state governments on the TCPA rules.

The record in this proceeding, along with our own enforcement experience, demonstrated that changes in the current rules are warranted, if consumers and businesses are to continue to receive the privacy protections contemplated by the TCPA. As explained in the Commission's *Report and Order* released on July 3, 2003, the record indicated that many consumers and businesses receive faxes they believe they have neither solicited nor given their permission to receive. Consumers emphasized that the burden of receiving hundreds of unsolicited faxes was not just limited to the cost of paper and toner, but includes the time spent reading and disposing of faxes, the time the machine is printing an advertisement and is not operational for other purposes, and the intrusiveness of faxes transmitted at inconvenient times, including in the middle of the night.

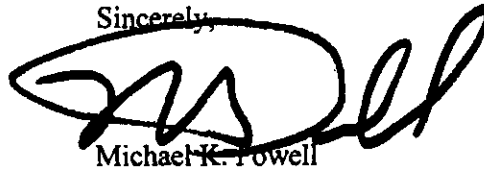
As we explained in the *Report and Order*, the legislative history of the TCPA indicates that one of Congress' primary concerns was to protect the public from bearing the costs of unwanted advertising. Therefore, Congress determined that companies that wish to fax unsolicited advertisements to customers must obtain their express permission to do so before transmitting any faxes to them. The amended rules require all entities that wish to transmit advertisements to a facsimile machine to obtain permission from the recipient in writing.

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The Commission's amended facsimile advertising rules initially were scheduled to go into effect on August 25, 2003. However, based on additional comments received since the adoption of the July *Report and Order*, the Commission, on its own motion, determined to delay the effective date of some of the amended facsimile rules, including the elimination of the established business relationship exemption, until January 1, 2005. The comments filed after the release of the *Report and Order* indicate that many organizations may need additional time to secure this written permission from individuals and businesses to which they fax advertisements. This extension will allow senders of such advertisements additional time to obtain the necessary permission before the new rules become effective. In addition, it will allow the Commission the opportunity to consider any petitions for reconsideration and other filings that may be made on this issue. I am enclosing a copy of the Commission's *Order on Reconsideration*, released on August 18, 2003.

I appreciate your comments. We have placed a copy of your correspondence in the public record for this proceeding. Please do not hesitate to contact me if you have further questions

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Powell', is written over the word 'Sincerely,'.

Michael K. Powell

Enclosure

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)
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Rules and Regulations Implementing the) CG Docket No. 02-278
Telephone Consumer Protection Act of 1991)
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ORDER ON RECONSIDERATION**Adopted: August 18, 2003****Released: August 18, 2003**

By the Commission:

1 On July 3, 2003, the Federal Communications Commission (Commission) released a Report and Order revising many of its telemarketing and facsimile advertising rules pursuant to the Telephone Consumer Protection Act of 1991 (TCPA).¹ Pursuant to Section 1.108 of the Commission's rules,² on our own motion, we issue this limited reconsideration of the *Report and Order* and extend, until January 1, 2005, the effective date of our determination that an established business relationship will no longer be sufficient to show that an individual or business has given express permission to receive unsolicited facsimile advertisements. We also extend, until January 1, 2005, the effective date of amended rule 47 C.F.R. § 64.1200(a)(3)(i).³

2. In the *Report and Order*, the Commission reversed its prior conclusion that an established business relationship provides companies with the necessary express permission to send faxes to their customers.⁴ The Commission determined that the established business relationship would no longer be sufficient to show that an individual or business has given express permission to receive unsolicited facsimile advertisements.⁵ Instead, the Commission

¹ See *Rules and Regulations Implementing the Telephone Consumer Protection Act of 1991*, CG Docket No. 02-278, FCC 03-153, Report and Order (rel. July 3, 2003) (*Report and Order*). A summary of this Report and Order was published in the Federal Register on July 25, 2003 (68 Fed. Reg. 44144).

² 47 C.F.R. § 1.108

³ Amended rule 47 C.F.R. § 64.1200(a)(3)(i) provides that "a facsimile advertisement is not 'unsolicited' if the recipient has granted the sender prior express invitation or permission to deliver the advertisement, as evidenced by a signed, written statement that includes the facsimile number to which any advertisements may be sent and clearly indicates the recipient's consent to receive such facsimile advertisements from the sender."

⁴ *Report and Order* at para. 189.

⁵ *Id.*

RON PAUL
14TH DISTRICT, TEXAS

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Congress of the United States House of Representatives

Washington, DC 20515-4314

203 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-2831

312 SOUTH MAIN
SUITE 228
VICTORIA, TX 77901
(361) 576-1231

200 WEST 2ND STREET
SUITE 210
FREEPORT, TX 77541
(979) 230-0000

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Mr. Michael Powell
Chairman
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Dear Mr. Powell:

I am writing to respectfully request that the Federal Communications Commission (FCC) exempt nonprofit organizations from the rule prohibiting the sending of unsolicited faxes. As you know, the FCC's new rules that prohibit any persons or entity, including nonprofit associations, from faxing unsolicited advertisements become effective August 25, 2003.

I am concerned that this rule could potentially devastate the operations of many nonprofit organizations. For example, the fax is the primary method of communication for many local Chambers of Commerce. These organizations use unsolicited faxes to inform their members of important issues and items of interest such as sponsorship opportunities, annual banquets, and affinity programs. Without this avenue of communication, many local Chambers of Commerce would be severely crippled in their efforts to promote economic stability and improve the quality of life in their communities.

Furthermore, such a broad ban on a method of communication raises serious First Amendment issues. After all, nonprofit organizations have a right to effectively communicate with their members regarding matters concerning the organizations' authorized purposes without interference from the government.

Federal policy should attempt to facilitate the free flow of communication, not restrict it. Instead of imposing a one-size-fits-all solution, the FCC should allow private parties to act through the market to resolve any problems associated with the receipt of unsolicited faxes.

In conclusion, I once again respectfully request that the FCC clarify that the rule prohibiting sending unsolicited facsimiles does not prohibit such communication from nonprofit organizations. Thank you for your consideration of this request.

Sincerely,

Ron Paul

Ron Paul

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